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SUBJECT: CONSUL GENERAL'S FAREWELL CALL ON CHIEF SECRETARY
TANG

¶1. (SBU) Summary: During the Consul General's Farewell call July 16, Hong Kong Chief Secretary for Administration Henry Tang thanked the United States for our cooperation on a variety of issues and noted that Hong Kong's close relationship with the United States is based on our shared respect for human rights and freedoms. Tang was sanguine about the recent announcement that the Hong Kong courts would hear arguments about the Legislative Council's power to call witnesses before special committees. He assured the Consul General that Hong Kong is very serious about addressing trafficking in persons (TIP) and stressed the importance of early and regular dialogue. In response to U.S. concerns about the implementation of the Nutrition Labeling law, Tang promised to remind the Food and Health Bureau of the importance of this issue and suggested Hong Kong would show some flexibility to ensure the registration and approval process goes smoothly. Abolishing the duty on wine and beer has turned Hong Kong into a center for wine trade and the city may surpass London to become the world's second largest wine auction venue this year, said Tang. End summary.

¶2. (SBU) The Consul General paid his farewell call on Chief Secretary for Administration Henry Tang July 16. He thanked Tang for the close cooperation between our governments over the past year, particularly on law enforcement-related issues. Tang agreed and noted that one strength of the bilateral relationship was the willingness of both sides to appreciate the position of the other and back off when things get too sensitive. He added that Hong Kong people and Americans share similar values: respect for human rights, freedom of expression and the desire to take advantage of opportunities.

HKG Officials Like Testifying Before LegCo
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¶3. (U) The Consul General noted the recent announcement that the Hong Kong courts would hear arguments about the LegCo's power to call witnesses to testify before special committees. Tang replied that government officials regularly appear before LegCo, know how to prepare and don't mind fulfilling this obligation. The appointment of political Undersecretaries in 2007 has been helpful, said Tang, in spreading the demands of testifying among more people and has freed other senior leaders to focus on other tasks.

Getting Nutrition Labeling Right
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¶4. (SBU) The CG also raised U.S. concerns over Hong Kong's plans to implement nutrition labeling legislation in July 2010. More than half of the 65,000 food products imported by Hong Kong will qualify for Small Volume Exemptions to the labeling law. Retailers believe the registration process

must begin no later than December to allow them the confidence to place orders for new products that will not be forced off the shelves when the law takes effect. Retailers are also concerned that the process for calculating whether an item breeches the 30,000 unit "Small Volume" threshold. The Consul General noted that Hong Kong is the U.S.'s fifth largest market for manufactured food products, and we are watching closely Hong Kong's plans for implementing the new law. Tang promised to relay the Consul General's concerns to the Hong Kong Food and Health Bureau and to remind them of the importance of getting this right. If the registration and implementation dates cannot be adjusted, said Tang, perhaps there are other ways to work around any problems.

15. (U) One of Hong Kong's successes over the past year has been its decision to abolish the excise tax on wine. The Consul General observed that Hong Kong is quickly becoming a center for wine trading. Tang replied that Hong Kong's wine imports are up 80 percent over the past year. He predicted Hong Kong would become the world's second largest wine auction site this year, surpassing London and behind only New York. Abolishing the wine tax has already boosted economic activity and created new jobs, and will ultimately increase Hong Kong's tax revenues, said Tang.

Early TIP Dialogue Important
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16. (SBU) The Consul General noted that Trafficking in Persons (TIP) is a global problem. He thanked the Hong Kong government, and particularly the Hong Kong Immigration Department, for their cooperation on this important issue.

HONG KONG 00001318 002 OF 002

Tang assured the CG that the Hong Kong government takes TIP allegations very seriously and stressed the importance of early and regular dialogue on TIP-related concerns.
DONOVAN